## THE WHITE HOUSE WASHINGTON

September 15, 1993

Dear Edward:

Thanks for taking the time to come by lunch on Wednesday. It was good to see you - -and it was a pleasure to get your insights.

I wanted to bring you up to date on a topic we were not able to discuss at lunch: the issue of export controls. As you know, for sone time the United States has inposed stringent exports controls on many of our most competitive exports. By some estimates, unnecessary export controls cost U.S. companies \$9 Billion a year in lost sales. One reason I ran for President was to tailor export controls to the realities of a post-Cold War world.

Let me be clear. We will continue to need strong controls to combat the growing threat of proliferation of weapons of mass destruction and dangerous conventional weapons, as well as to send a strong signal to countries that support international terrorism. But we also need to make long overdue reforms to insure that we do not unfairly and unnecessarily burden our important commercial interests.

In that regard, I wanted you to know that we hope to announce some important reforms by September 30. As you may know, Commerce secretary Ron Brown has been leading a process within the Trade Promotion Coordination Commettee (TPCC) to examine how we might better promote U.S. exports. As part of that process, the National Security Council has led as effort to develop specific export control reforms. I hope to announce those when the TPCC issues its report on September 30.

We have not yet finalized all of these reforms, because I want to be sure that they get a full interagency review. But I an optimistic that the steps we take will help liberalize controls on many of our most competitive exports, while protecting our import national security concerns. Let me give you a sense of the reforms we are considering:

• Liberalize Computer and Telecommunications Controls.

When this Administration began, the U.S. controlled any computer with a capacity above 12.5 MTOPS. My administration is in the process of raising that level to 67 MTOPS for most free world countries, relieving well over \$3 billion of computer exports each year from the need for a license. By September 10, I hope to raise that level further - - and also announce important liberallizations for telecommunications exports to most free world destinations.

- Reduce Processing Times. Delays in processing export control licenses is a burden on business - and a legitimite gripe against the federal government. I hope to announce significant reductions in the time it takes the government to process export license applications.
- Expand Distribution Licenses. We hope to expand significantly the availability of distribution licenses for controlled computers so that exporters need not come back repeatedly to the federal government for a license.
- Elimimate Unnecessary Unilateral Controls. Controls imposed on by U.S. (and not by competitor countries) at times can put our exporters at an unfair disadvantage as competitor componies export like products freely. I expect to announce that, by December 31, my administration will identify and eliminate wherever possible unnecessary U.S. unilateral export control policies.

I expect that these reforms will help liberalize controls on tens of billions of dollars worth of U.S. exports. It can help unleash our companies to compete successfully in the global market.

These reforms fit into a broader framwork. Soon we will complete our review of nonproliferation and export control policy, which will set guidlines for further steps we should take. I am also currently engaged in seeking major reforms to COCOM, which should lead to significant liberalization of controls on computers, telecommunications, and machine tools, while establishing a more effective structure for addressing the changing national security threats we will face in the years ahead.

Let me assure you that I am personally committed to developing a more intelligent export control policy, one that prevents dangerous technologies from falling into the wrong hands without unfairly burdening American commerce. It is important. It is the right thing to do. And many of these changes are long overdue. I look forward to working with you in building a new consensus around an effective export control policy that meets these objectives.

Sincerely,

Signature - Bill Clinton

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